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Results Preview

Leisure

Sweden

17 February 2020

Results due: 28 February

One door closes and another door opens

We do not expect Q4 financial performance to be a trigger as the investment case hinges on the outcome of the appeal, which is now with the administrative court of appeal. Without contribution from 'Ninja Casino' in Sweden the short-term earnings outlook is bleak. Cash buffer and cost cuts still gives the company room to find new growth opportunities. No estimate changes, mid-point DCF value SEK 6.3, multiple-based range SEK 4.5-11.7.

Key Data (2019E)

Price (SEK)	5.69
Reuters	Global.ST
Bloomberg	Global.SS
Market cap (SEKm)	236
Market cap (USDm)	24
Market cap (EURm)	22
Net debt (SEKm)	(138)
Net gearing	(71%)
Net debt/EBITDA (x)	1.4
Shares fully dil. (m)	41.5
Avg daily turnover (m)	0.0
Free float	100%

Decision now with the administrative court of appeal

The administrative court of appeal has taken the decision to grant review permit for Global Gaming's appeal against the Swedish gambling authority after it was refused earlier. We expect a judgement in 2020, although the outcome remains highly uncertain.

Cash burn and growth outside of Sweden in focus

Global Gaming's large cash buffer of SEK 162m at the end of Q3 buys management time to act to mitigate the effects of the licence suspension. However, cash burn in Q3 was much higher than we expected. Global Gaming appears far away from a positive bottom line but considering that the rest of its operations are probably growing, and that the company is making substantial cost savings, it does put it in a better position. On the current trajectory we believe the company could be at breakeven EBITDA in 2021.

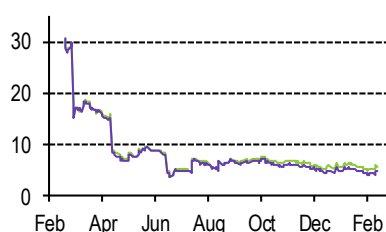
Broad valuation range on uncertain outlook

Our DCF model gives a mid-point value of SEK 6.3. The potential valuation range is broad considering the current situation. If the company wins its appeal, a valuation in line with peers would be plausible. Based on 2020E sales multiple of 0.8-1.3x, for example, would indicate an equity value of SEK 336-484m giving a range of SEK 8.1-11.7 per share. A valuation in line with the selling price of GiG's B2C business in the recent transaction with Betsson, 0.3x sales, gives a value indication of SEK 189m, i.e. SEK 4.5 per share.

Estimate Revisions (%)

	2019E	2020E	2021E
Revenues	0	0	0
Adj. EBIT	0	0	0
Adj. EPS	0	0	0

Share Price (12M)



Absolute (green) / Relative to Sweden (purple).

Marketing communication

commissioned by:

Global Gaming

Financials (SEK)

Year end: Dec	2017	2018	2019E	2020E	2021E
Revenues (m)	458	916	426	295	355
Adj. EBIT	122	149	(120)	(14)	(7)
Pre-tax profit (m)	122	149	(120)	(14)	(7)
EPS	2.78	3.01	(2.83)	(0.31)	(0.15)
Adj. EPS	2.78	3.01	(2.83)	(0.31)	(0.15)
DPS	1.40	0.00	0.00	0.00	0.00
Revenue growth (%)	372.2	100.0	(53.5)	(30.7)	20.3
Adj. EBIT growth (%)	817.3	21.8	n.m.	n.m.	n.m.
Adj. EPS growth (%)	810.1	8.4	n.m.	n.m.	n.m.
Adj. EBIT margin (%)	26.6	16.2	(28.2)	(4.7)	(2.0)
ROE (%)	65.5	46.2	(46.7)	(6.8)	(3.6)
ROCE (%)	73.8	54.9	(47.6)	(7.4)	(3.9)
PER (x)	10.9	12.0	n.m.	n.m.	n.m.
Free cash flow yield (%)	10.1	10.2	(51.7)	(6.5)	0.8
Dividend yield (%)	4.6	0.0	0.0	0.0	0.0
P/BV (x)	5.41	4.76	1.20	1.29	1.33
EV/Sales (x)	2.38	1.36	0.23	0.38	0.31
EV/Adj. EBITDA (x)	8.9	8.3	(1.0)	(19.4)	101.4
EV/Adj. EBIT (x)	8.9	8.4	(0.8)	(8.2)	(16.1)
Operating cash flow/EV (%)	11.0	12.6	(112.3)	(9.1)	6.2
Net debt/Adj. EBITDA (x)	(1.26)	(1.74)	1.37	21.05	(113.45)

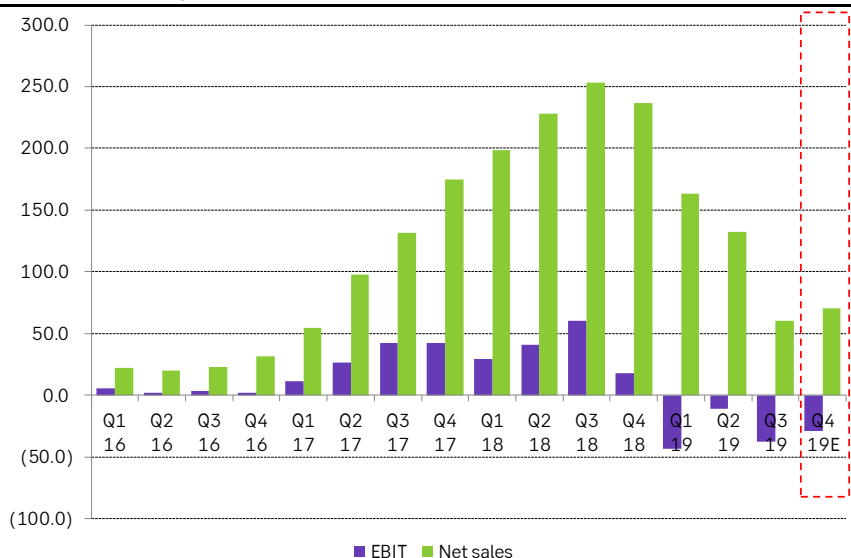
Source for all data on this page: SEB (estimates) and SIX/Thomson Reuters (prices)

Q4 results expectation

We forecast SEK 70m in revenue and SEK -29m in EBIT

Group revenue has been materially impacted by the closure of 'Ninja Casino' in Sweden in June, but we expect the company to have seen some improvement q/q aided by growth in Finland and Estonia. We forecast SEK 70m in revenue in Q4 vs SEK 60m in Q3, down 70% y/y and +16% q/q. However, the current revenue run rate is unlikely to be enough to ensure profitability and we forecast EBIT of SEK -29m for Q4, i.e. an EBIT margin of -41.3% and net loss of SEK -28m and a cash burn of SEK -24m, with year-end cash position of SEK 138m. However, the cash position may be affected by changes in working capital, which in the current state of flux is more difficult to predict.

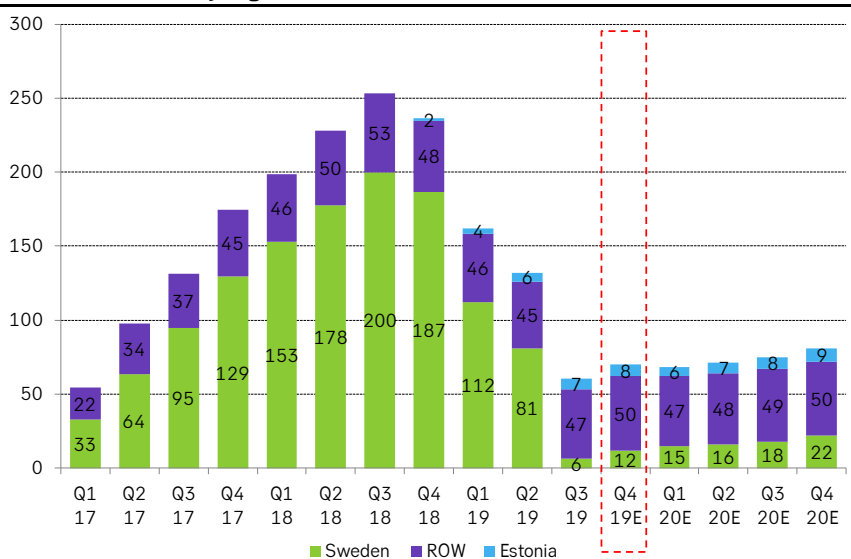
Revenue and EBIT, SEKm



Source: SEB

In Q3 revenue outside of Sweden amounted to SEK 54m, which we expect to have grown to SEK 58m in Q3 and Swedish revenue to have increased q/q supported by the remaining smaller brands on external platforms.

Estimated revenue by region

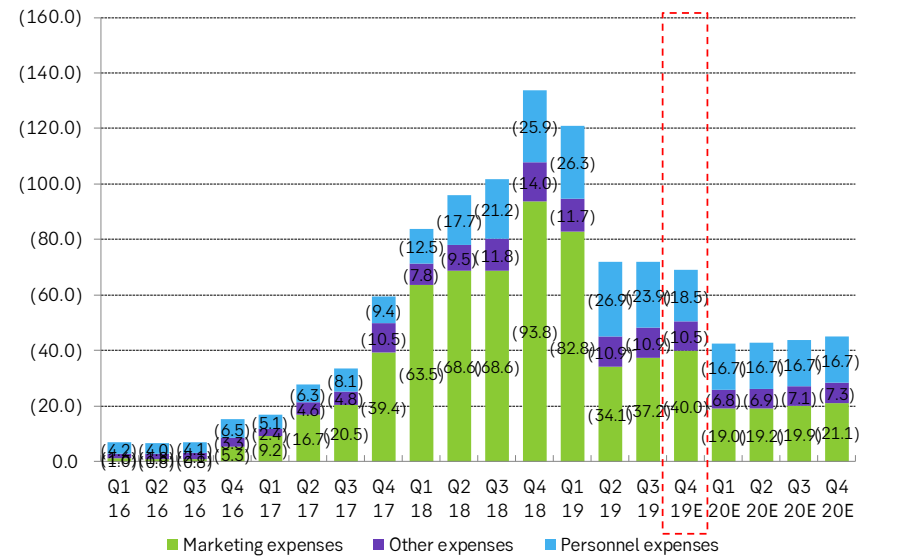


Source: SEB

Cost reductions underway

In July the company implemented a headcount reduction programme to achieve net savings of SEK 12.5m and reduce staffing by almost 50%, with most of the effect materialising in Q4 and the full effect in 2020. We forecast personnel costs of SEK 18.5m in Q4. Moreover, with a technical migration to Finnplay’s platform in Q4 more cost savings should materialise in 2020.

Opex split per quarter, SEKm

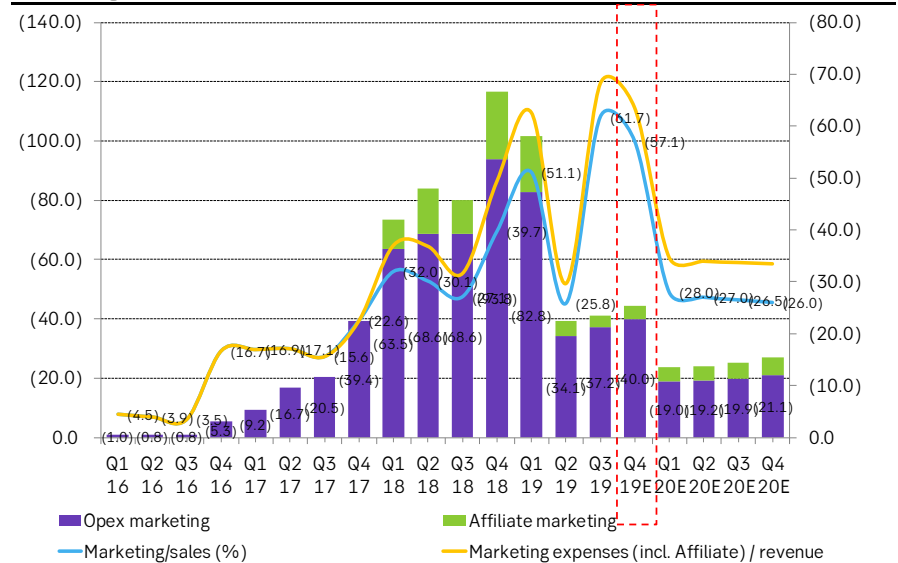


Source: SEB

Marketing remains the largest swing factor

The largest moving variable in terms of profitability is marketing spend. The company stated in the Q3 report that it had marketing commitments remaining for Q4 of SEK 27m. We have assumed SEK 40m spend in Q4 as general seasonality suggests an uptick in Q4 vs Q3 and the company is still growing outside of Sweden. However, if the company has chosen to be on the defensive side it could be as low as SEK 27m. We expect marketing run rate to be lower in 2020 at 25-30% of revenue.

Marketing spend per quarter, SEKm

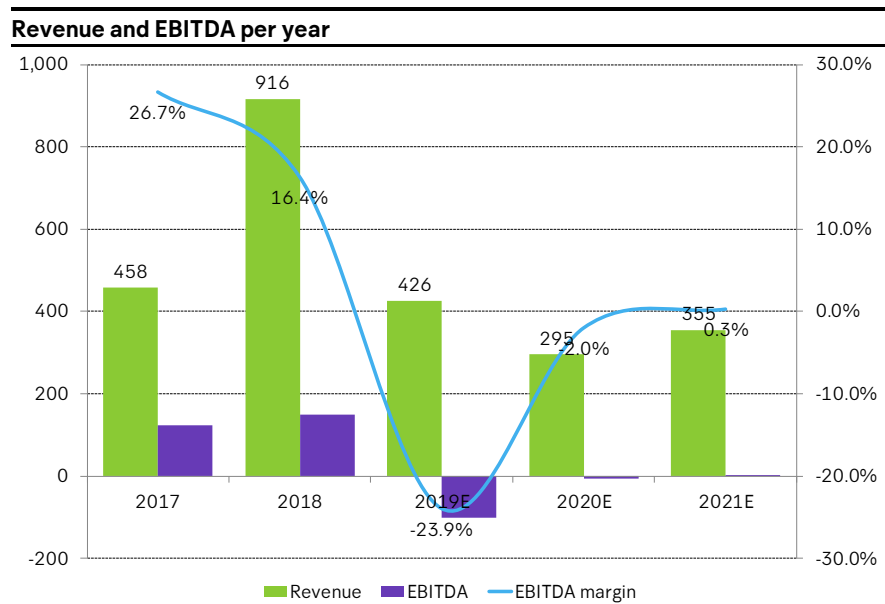


Source: SEB

Outlook for 2020 and beyond

Global Gaming is lossmaking following the closure of 'Ninja Casino' in Sweden and on the face of it, profitability looks a long way off. However, we do not see any immediate liquidity or defensive rights issue risk for Global Gaming due to the large gross cash position which amounted to SEK 162m at the end of Q3. Cash burn in Q3 was SEK 35m, but will likely decline in 2020 as the cost profile improves.

We forecast growth in 2020 and 2021 from the new base line of Q3 and on current estimates breakeven EBITDA and cash flow can be attainable as of FY 2021. However, uncertainty in the trajectory remains high.



Regulatory update

The company hopes to be able to relaunch 'Ninja Casino' if it receives a favourable ruling in the administrative court of appeals which has granted to review the case after a prior rejection. We believe a verdict will be presented in 2020, although it is difficult to judge whether it leans towards a positive or negative verdict for Global Gaming.

Global Gaming transferred the rights for the 'Ninja Casino' brand to Viral Interactive (Finnplay) in late Q3 with the intention for Finnplay to relaunch and operate the brand via its licence. However, the application to add 'Ninja Casino' among its sites was refused by the Swedish Gambling Authority (SGA) in February. In the agreement, Global Gaming was responsible to manage marketing of Ninja Casino for Finnplay which the SGA opposed. The agreement with Finnplay also included a clause for Global Gaming to recover the brand in the event the company regained its licence.

Considering that the outcome of current regulatory proceedings is uncertain, we believe the company may be looking at other potential venues and a complete sale and change of ownership of the operations are likely plausible scenarios.

Valuation

Summary

On our forecasts, Global Gaming's PER and EV/EBIT is negative for 2019-21E. Its EV/Sales is 0.3-0.4x for 2019-21E vs the peer group median of 1.2-1.3x, reflecting the company's challenged situation. The mid-point value of our DCF model is SEK 6.3 and a valuation based on peer multiples gives a range of SEK 4.5-11.7 per share.

Peer group valuation

	Mkt cap (EURm)	PER			EV/EBIT			EV/EBITDA			EV/Sales		
		2019E	2020E	2021E	2019E	2020E	2021E	2019E	2020E	2021E	2019E	2020E	2021E
Operators													
Kindred group	1,225	18.5	15.1	14.6	16.0	12.1	11.2	8.8	6.8	6.2	1.2	1.0	0.9
LeoVegas	336	13.0	17.1	11.4	9.0	14.4	9.2	6.9	6.2	4.8	0.9	0.8	0.7
Betsson	718	7.5	8.3	9.1	7.4	7.3	7.5	5.2	5.2	5.1	1.2	1.3	1.1
Paddy Power Betfair	7,988	27.9	25.8	22.2	27.5	25.0	21.0	18.5	17.1	15.0	3.5	3.1	2.9
888	605	13.5	12.8	11.6	10.3	9.6	9.0	7.1	6.9	6.3	1.1	1.0	1.0
GVC	5,873	13.0	10.8	8.8	13.0	11.8	10.1	9.9	8.8	7.8	2.0	2.0	1.9
Jackpot Joy	1,005	8.2	6.6	5.7	12.5	9.7	8.8	8.6	7.5	6.9	2.4	2.3	2.1
William Hill	1,904	16.9	14.6	11.4	15.8	14.4	11.7	8.7	8.5	7.4	1.0	1.4	1.3
Global Gaming	23	-2.2	-18.5	-37.1	-1.1	-8.7	-17.5	-1.3	-20.8	110.2	0.3	0.4	0.3
Median		13.3	13.7	11.4	12.7	12.0	9.6	8.7	7.2	6.6	1.2	1.3	1.2
Global Gaming vs Median		-117%	-235%	-426%	-109%	-173%	-282%	-115%	-388%	n.a.	-74%	-69%	-72%

Source: SEB, Reuters

Multiples based scenario

If the company wins its appeal, and/or the general situation for the company become less distressed, a valuation in line with peers would be plausible in our view. Relying on an EV/Sales multiple in line with main peers of 0.8-1.3x would indicate a possible equity value of SEK 236-384m for the operation, i.e. SEK 6-9 per share on top of the estimated year-end cash position less customer deposits of around SEK 110m, SEK 2.4 per share, giving a valuation range of SEK 8.1-11.7 per share.

We can also use recent transaction multiples of GiG's sale of its B2C business to Betsson as a reference, 0.3x sales, which would give a value indication of SEK 89m for the operation and total equity value of SEK 189m or SEK 4.5 per share after adding net cash.

Valuation scenarios

Valuation scenarios	Main peers low	Main peers high	GiG B2C divestment
2020E revenue	295	295	295
Sales multiple	0.8x	1.3x	0.3x
Value of operation	236	384	89
YE cash - est. customer deposits	100	100	100
Equity value	336	484	189
Valued per share			
Operations	5.7	9.2	2.1
Cash	2.4	2.4	2.4
Total	8.1	11.7	4.5

Source: SEB

DCF valuation

Our DCF model with 10% WACC yields a mid-point value of SEK 6.3 and a range of SEK 4.5-8.4 if we adjust our base case EBITDA margin and growth forecasts by +/-2pp. The potential valuation range will be very broad considering the current situation.

DCF Summary

DCF valuation (SEKm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	35	Risk free interest rate	2.5
NPV of continuing value	82	Risk premium	7.5
Value of operation	116	Cost of equity	10.0
Net debt	(127)	After tax cost of debt	1.8
Share issue/buy-back in forecast period	-	WACC	10.0
Value of associated companies	-	Assumptions	
Value of minority shareholders' equity	-	Number of forecast years	10
Value of marketable assets	-	EBIT margin - steady state (%)	3.3
DCF value of equity	243	EBIT multiple - steady state (x)	10.4
DCF value per share (SEK)	5.9	Continuing value (% of NPV)	70.0
Current share price (SEK)	5.7		
DCF performance potential (%)	5		

Source: SEB

DCF sensitivity

		Cost of equity (%)				
		9.0	9.5	10.0	10.5	11.0
Equity capital weight (%)	80	7.9	7.6	7.3	7.0	6.8
	90	7.2	7.0	6.7	6.5	6.5
	100	6.7	6.5	6.3	6.1	5.9
		Absolute change in EBITDA margin - all years				
		-2%	-1%	0	+1%	+2%
Abs. change in sales growth - all years	-2%	4.5	5.2	5.8	6.5	7.2
	-1%	4.6	5.3	6.0	6.8	7.5
	0	4.8	5.5	6.3	7.0	7.7
	+1%	4.9	5.7	6.5	7.3	8.0
	+2%	5.0	5.9	6.7	7.5	8.4

Source: SEB

DCF – assumption details

(SEKm)	2019E	2020E	2021E	2022E	2023E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	(53.5)	(30.7)	20.3	8.0	8.0	7.0	5.5	3.5
EBITDA margin (%)	(23.7)	(2.0)	0.3	4.0	5.0	5.0	5.0	5.0
EBIT margin (%)	(28.2)	(4.7)	(2.0)	1.7	2.9	3.0	3.1	3.3
Gross capital expenditures as % of sales	2.8	1.7	1.4	1.4	1.4	1.4	1.4	1.4
Working capital as % of sales	(7.4)	(8.8)	(8.8)	(8.8)	(8.8)	(8.8)	(8.8)	(8.8)
Sales	426	295	355	383	414	443	481	521
Depreciation	0	0	0	(1)	(1)	(1)	(1)	(1)
Intangibles amortisation	(19)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
EBIT	(120)	(14)	(7)	7	12	13	15	17
Taxes on EBIT	30	2	(0)	(4)	(6)	(6)	(7)	(7)
Increase in deferred taxes	0	0	0	0	0	0	0	0
NOPLAT	(71)	(4)	1	10	14	15	16	17
Gross capital expenditure	(12)	(5)	(5)	(5)	(6)	(6)	(7)	(7)
Increase in working capital	(12)	(6)	5	2	3	3	2	2
Free cash flow	(94)	(15)	1	8	12	12	13	13
ROIC (%)	(36.5)	(2.3)	0.4	6.1	8.5	9.5	10.7	12.2
ROIC-WACC (%)	(46.5)	(12.3)	(9.6)	(3.9)	(1.5)	(0.5)	0.7	2.2
Share of total net present value (%)	0.0	(12.1)	0.8	5.5	7.2	6.8	12.2	10.3

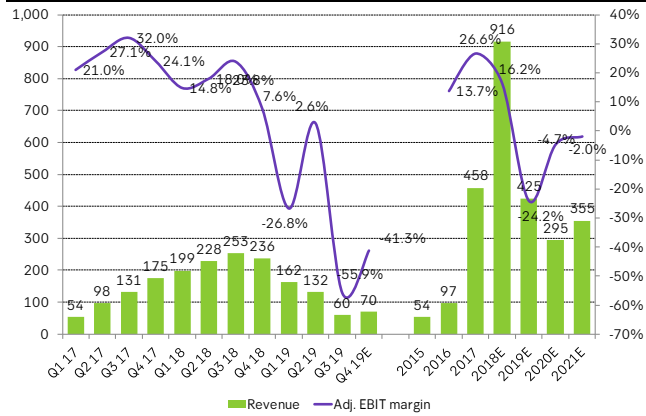
Source: SEB

Interim financials

(EURm)	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19E	2017	2018	2019E	2020E	2021E
Revenues	199	228	253	236	162	132	60	70	458	916	425	295	355
Direct costs	-87	-92	-90	-94	-85	-63	-23	-28	-191	-363	-198	-127	-170
Gross profit	111	136	163	143	77	69	38	42	267	553	226	168	185
Personnel expenses	-13	-18	-21	-26	-26	-27	-24	-19	-29	-77	-96	-67	-67
Marketing costs	-64	-69	-69	-94	-83	-34	-37	-40	-86	-295	-194	-79	-88
Other expenses	-8	-10	-12	-14	-12	-11	-11	-11	-22	-43	-44	-28	-29
Activated development costs	0	0	1	3	3	4	0	0	0	5	7	0	0
Other operating expenses/income	2	1	-2	7	-1	1	-1	0	-8	7	-2	0	0
Total opex	-82	-95	-103	-124	-119	-67	-73	-69	-145	-403	-328	-174	-184
of which non-recurring items	0.0	0.0	0.0	0.0	0.0	-2.9	-3.9	0.0	0.0	0.0	-6.8	0.0	0.0
EBITDA	29	41	61	19	-42	2	-36	-27	122	150	-102	-6	1
Adjusted EBITDA	29	41	61	19	-42	5	-32	-27	122	150	-95	-6	1
D&A costs	0	0	0	-1	-2	-13	-2	-2	0	-1	-19	-8	-8
Total opex and D&A	-82	-95	-103	-125	-121	-80	-75	-71	-145	-405	-347	-182	-192
of which non-recurring items	0	0	0	0	0	-3	-4	0	0	0	-7	0	0
EBIT	29	41	60	18	-43	-11	-38	-29	122	149	-121	-14	-7
Adjusted EBIT	29	41	60	18	-43	3	-34	-29	122	149	-103	-14	-7
Financial items	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	29	41	60	18	-44	-11	-38	-29	122	149	-121	-14	-7
Taxes	-4	-12	-6	-2	2	-1	1	0	-14	-24	2	1	1
Net profit	26	29	54	16	-42	-12	-37	-28	108	125	-119	-13	-6
Adjusted net profit	26	29	54	16	-42	-9	-33	-28	108	125	-112	-13	-6
EPS reported (EUR)	0.6	0.7	1.3	0.4	-1.0	-0.3	-0.9	-0.7	2.6	3.0	-2.9	-0.3	-0.2
EPS adjusted (EUR)	0.6	0.7	1.3	0.4	-1.0	-0.2	-0.8	-0.7	2.6	3.0	-2.7	-0.3	-0.2
Revenue growth (%)	265.7	133.2	92.6	35.4	-18.4	-42.0	-76.2	-70.3	372.2	100.0	-53.6	-30.5	20.3
Revenue growth, sequential (%)	13.7	14.7	11.1	-6.6	-31.4	-18.4	-54.4	16.3	n.m	n.m	n.m	n.m	n.m
Gross profit growth (%)													
EBITDA growth (%)	157.9	55.5	43.6	-55.7	-241.5	-94.4	-158.7	-244.1	812.7	22.6	-167.9	-94.3	-118.8
EBITDA growth, adjusted (%)	157.9	55.5	43.6	-55.7	-241.5	-87.4	-152.3	-244.1	812.7	22.6	-163.4	-93.9	-118.8
EBIT growth (%)	157.0	54.7	43.2	-57.1	-248.1	-127.1	-162.4	-260.7	817.3	21.8	-181.4	-88.5	-50.2
Gross margin (%)	56.0	59.7	64.5	60.3	47.7	52.3	62.5	60.0	58.3	60.4	53.3	56.9	52.0
EBITDA margin (%)	14.8	18.1	23.9	7.9	-25.7	1.7	-59.0	-38.5	26.7	16.4	-24.0	-2.0	0.3
EBITDA margin, adjusted (%)	14.8	18.1	23.9	7.9	-25.7	3.9	-52.6	-38.5	26.7	16.4	-22.4	-2.0	0.3
EBIT margin (%)	14.8	18.0	23.8	7.6	-26.8	-8.4	-62.4	-41.3	26.6	16.2	-28.5	-4.7	-2.0
EBIT margin, adjusted (%)	14.8	18.0	23.8	7.6	-26.8	2.6	-55.9	-41.3	26.6	16.2	-24.2	-4.7	-2.0
Marketing cost growth (%)	590.2	310.8	234.6	138.1	30.4	-50.3	-45.8	-57.4	986.1	243.2	-34.1	-59.2	10.9
Personnel expenses growth (%)	145.1	181.0	161.7	175.5	110.4	52.0	12.7	-28.6	53.7	167.5	23.7	-30.3	0.0
Other expenses growth (%)	225.0	106.5	145.8	33.3	50.0	14.7	-7.6	-24.9	5,475	93	2.1	-36.3	4.0
D&A cost growth (%)			200.0	250.0	1,700.0	6,600.0	566.7	182.1		333.3	#####	-58.0	-0.4
											#		
Total opex and D&A growth (%)	368.0	234.9	193.4	94.1	47.5	-15.6	-26.9	-43.0	303.3	178.7	-14.1	-47.7	5.3
Marketing costs / revenues (%)	-32.0	-30.1	-27.1	-39.7	-51.1	-25.8	-61.7	-57.1	-18.7	-32.2	-45.7	-26.8	-24.7
Personnel expenses / revenues (%)	-6.3	-7.8	-8.4	-11.0	-16.2	-20.3	-39.6	-26.4	-6.3	-8.4	-22.5	-22.6	-18.8
Other expenses / revenues (%)	-3.9	-4.2	-4.7	-5.9	-7.2	-8.2	-18.1	-15.0	-4.9	-4.7	-10.4	-9.5	-8.2
D&A cost / revenues (%)	-0.1	-0.1	-0.1	-0.3	-1.1	-10.1	-3.3	-2.8	-0.1	-0.1	-4.5	-2.7	-2.3
Total opex and D&A costs / revenues (%)	-41.2	-41.7	-40.7	-52.7	-74.5	-60.7	-124.9	-101.3	-31.7	-44.2	-81.8	-61.6	-54.0
Effective tax rate (%)	-11.9	-29.5	-10.1	-10.6	-4.4	5.8	-1.9	-1.6	-11.2	-15.9	-2.0	-8.0	-8.0
nr of shares fully diluted					41.5	41.5	41.5	41.5	40.9	41.5	41.5	41.5	41.5

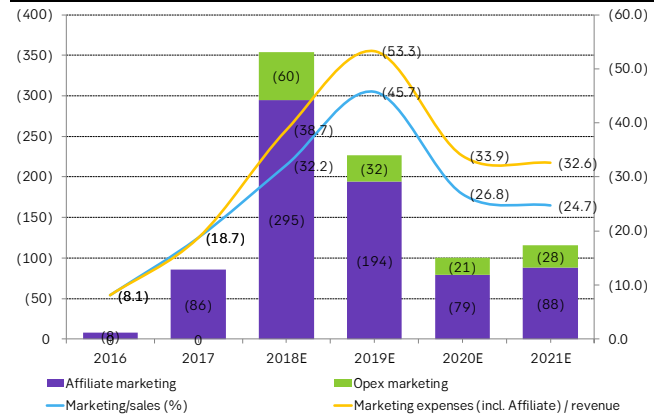
Source: SEB

Revenue and adjusted EBIT margin per quarter and year



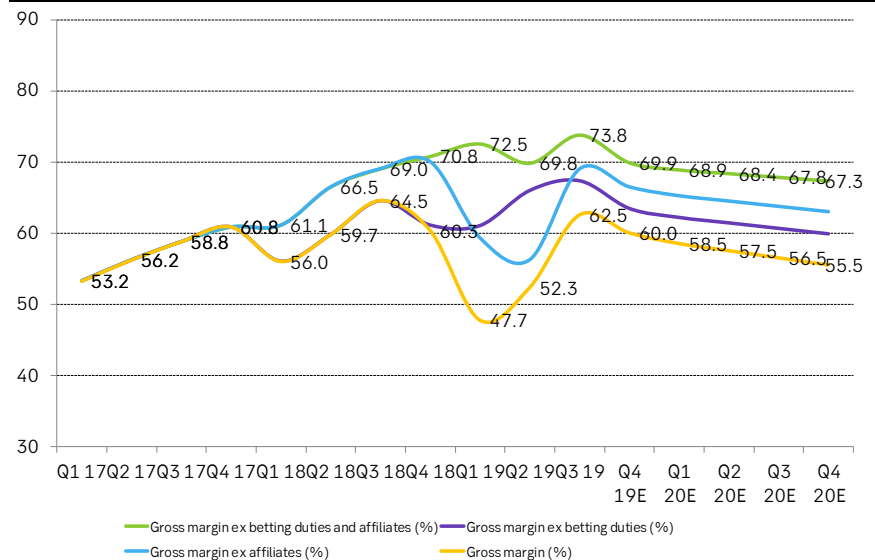
Source: SEB

Marketing cost per year



Source: SEB

Historical gross margin and forecast (%)



Source: SEB

Overview

Investment considerations

Global Gaming aspires to continue to gain market share by improving its product offering and expanding geographically. The company has launched Ninja Casino in Estonia in late 2018 and will add sportsbetting and more live casino games in 2019. Gross margin is far below that of peers; if the company is able to improve underlying profitability by gaining volume and renegotiating supplier contracts then there is high earnings growth potential.

Company profile

Global Gaming is a Nordic online gambling operator which, via its innovative PayNPlay solution, has been able to break in to the highly competitive Nordic online casino market. The company is transitioning from a start-up to an industrialized online gambling operator and is ramping up a operational hub in Malta, to complement the group main office in Malmö. Global Gaming generates the majority of its revenue from the brand Ninja Casino.

Valuation approach

We take support in a DCF model using 10% WACC. This is higher than, for example, the 7.5% we use for Kindred and motivated by small cap, the short company history and high dependence on single market and single brand. We also take support in comparable multiples such as PER and EV/EBITDA.

Risks

Spelinspektionen revoked Global Gaming's licence in Q2 2019, effective immediately. The company has appealed the decision and is awaiting the case to be tried legally, but the outcome and timing of a verdict remains uncertain.

Profit & loss statement - Global Gaming						
(SEKm)	2016	2017	2018	2019E	2020E	2021E
Net Sales	97	458	916	426	295	355
Other revenues	0	0	0	0	0	0
Total revenues	97	458	916	426	295	355
Total expenses	(84)	(336)	(766)	(527)	(301)	(354)
Profit before depreciation	13	122	150	(101)	(6)	1
Depreciation - Fixed assets	(0)	(0)	0	0	0	0
Depreciation - Other assets	0	0	0	0	0	0
Amortisation - Goodwill	0	0	0	0	0	0
Amortisation - Other intangibles	0	0	(1)	(19)	(8)	(8)
Operating profit	13	122	149	(120)	(14)	(7)
Net interest expenses	0	0	0	0	0	0
Foreign exchange items	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0
Reported pre-tax profit	13	122	149	(120)	(14)	(7)
Minority interests	0	0	0	0	0	0
Total taxes	(1)	(14)	(24)	2	1	1
Reported profit after tax	12	108	125	(118)	(13)	(6)
Discontinued operations	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0
Net Profit	12	108	125	(118)	(13)	(6)
<u>Adjustments:</u>						
Discontinued operations	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0
Value changes	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	1	19	8	8
Restructuring charges	0	0	0	0	0	0
Other adjustments	0	0	(1)	(19)	(8)	(8)
Tax effect of adjustments	0	0	0	0	0	0
Adjusted profit after tax	12	108	125	(118)	(13)	(6)
Margins, tax & returns						
Operating margin	13.7	26.6	16.2	(28.2)	(4.7)	(2.0)
Pre-tax margin	13.7	26.6	16.2	(28.2)	(4.7)	(2.0)
Tax rate	10.5	11.2	15.9	2.0	8.0	8.0
ROE	23.6	65.5	46.2	(46.7)	(6.8)	(3.6)
ROCE	26.3	73.8	54.9	(47.6)	(7.4)	(3.9)
Growth rates y-o-y (%)						
Total revenues	n.a.	372.2	100.0	(53.5)	(30.7)	20.3
Operating profit	n.m.	817.3	21.8	n.m.	n.m.	n.m.
Pre-tax profit	n.m.	817.3	21.8	n.m.	n.m.	n.m.
EPS (adjusted)	0.0	810.1	8.4	0.0	0.0	0.0
Cash flow						
(SEKm)	2016	2017	2018	2019E	2020E	2021E
Net profit	12	108	125	(118)	(13)	(6)
Non-cash adjustments	0	0	1	19	8	8
Cash flow before work cap	12	109	126	(99)	(5)	2
Ch. in working capital / Other	1	11	31	(12)	(6)	5
Operating cash flow	13	120	157	(110)	(10)	7
Capital expenditures	0	0	(4)	(12)	(5)	(5)
Asset disposals	0	0	0	0	0	0
L/T financial investments	0	0	0	0	0	0
Acquisitions / adjustments	0	0	0	0	0	0
Free cash flow	13	120	153	(122)	(15)	2
Net loan proceeds	0	0	0	0	0	0
Dividend paid	0	(6)	(57)	0	0	0
Share issue	0	0	0	0	0	0
Other	1	26	11	0	0	0
Net change in cash	14	140	107	(122)	(15)	2
Adjustments						
C/flow bef chng in work cap	12	109	126	(99)	(5)	2
Adjustments	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0
Cash earnings	12	109	126	(99)	(5)	2
Per share information						
Cash earnings	0.31	2.78	3.04	(2.37)	(0.11)	0.04
Operating cash flow	0.34	3.07	3.78	(2.65)	(0.25)	0.17
Free cash flow	0.34	3.07	3.69	(2.94)	(0.37)	0.05
Investment cover						
Capex/sales (%)	0.0	0.0	0.0	0.0	0.0	0.0
Capex/depreciation (%)	0	0	0	0	0	0

Source for all data on this page: SEB

Balance sheet - Global Gaming						
(SEKm)	2016	2017	2018	2019E	2020E	2021E
Cash and liquid assets	14	154	260	138	123	125
Debtors	6	8	102	87	81	97
Inventories	0	0	0	0	0	0
Other	6	24	0	0	0	0
Current assets	26	186	362	226	204	222
Interest bearing fixed assets	0	0	0	0	0	0
Other financial assets	10	6	3	3	3	3
Capitalized development cost	0	0	0	12	17	22
Goodwill	0	0	0	0	0	0
Other intangibles	79	81	89	69	61	53
Fixed tangible assets	0	2	4	4	4	4
Other fixed assets	0	0	0	0	0	0
Fixed assets	89	89	95	88	85	82
Total assets	115	275	457	313	288	304
Creditors	5	22	145	105	97	117
Other trade financing	4	15	0	14	10	12
S/T interest bearing debt	0	0	0	0	0	0
Other	4	8	0	0	0	0
Current liabilities	13	44	145	119	107	128
L/T interest bearing debt	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0
Deferred tax	1	1	1	1	1	1
Long term liabilities	1	1	1	1	1	1
Minority interests	0	0	0	0	0	0
Shareholders' equity	101	230	311	193	181	174
Total liabilities and equity	115	275	457	313	288	304
Net debt (m)	(14)	(154)	(260)	(138)	(123)	(125)
Working capital (m)	(1)	(12)	(43)	(31)	(26)	(31)
Capital employed (m)	101	230	311	193	181	174
Net debt/equity (%)	(14)	(67)	(84)	(71)	(68)	(72)
Net debt/EBITDA (x)	(1.1)	(1.3)	(1.7)	1.4	21.1	(113.5)
Equity/total assets (%)	88	84	68	62	63	57
Interest cover	0.0	#####	0.0	0.0	0.0	0.0

Valuation						
(SEK)	2016	2017	2018	2019E	2020E	2021E
No of shares, fully dil. (y/e)	39.0	40.9	41.5	41.5	41.5	41.5
No of shares, fully dil. avg.	39.0	39.0	41.5	41.5	41.5	41.5
Share price, y/e		30.4	36.2	5.7	5.7	5.7
Share price, high		38.7	40.0	37.2		
Share price, low		27.0	23.2	3.4		
Share price, avg		33.3	31.4	12.3		
EPS (reported)	0.31	2.78	3.01	(2.83)	(0.31)	(0.15)
EPS (adjusted)	0.31	2.78	3.01	(2.83)	(0.31)	(0.15)
Cash earnings/share	0.31	2.78	3.04	(2.37)	(0.11)	0.04
Dividend/share	0.15	1.40	0.00	0.00	0.00	0.00
Enterprise value/share		27	30	2.4	2.7	2.7
Book value/share	2.6	5.6	7.6	4.7	4.4	4.3
Adjusted equity/share	2.6	5.6	7.6	4.7	4.4	4.3
PER (adjusted)		10.9	12.0	n.m.	n.m.	n.m.
CEM		10.9	11.9	(2.4)	(50.0)	142.9
Dividend yield		4.6	0.0	0.0	0.0	0.0
EV/EBITDA		8.9	8.3	(1.0)	(19.4)	101.4
EV/EBITA		8.9	8.3	(1.0)	(19.4)	101.4
EV/EBIT		8.9	8.4	(0.8)	(8.2)	(16.1)
EV/Sales (x)		2.38	1.36	0.23	0.38	0.31
Price/Book value		5.41	4.76	1.20	1.29	1.33
Price/adjusted equity		5.41	4.76	1.20	1.29	1.33
Free cash flow/Market cap (%)		10.1	10.2	(51.7)	(6.5)	0.8
Operating cash flow/EV (%)		11.0	12.6	(112.3)	(9.1)	6.2
EV/Capital employed (x)		4.7	4.0	0.5	0.6	0.6

Main shareholders			Management		Company information	
Name	(%) Votes	Capital	Title	Name	Contact	
			COB		Internet	0.0
			CEO	Tobias Fagerlund	Phone number	0
			CFO	Niklas Jönsson		
			IR			

Source for all data on this page: SEB

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